

House File 128 - Introduced

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A BILL FOR

1 An Act relating to permits for the drilling of a well for oil
2 or gas utilizing hydraulic fracturing and providing for the
3 establishment of fees.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 458A.2, Code 2013, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 7A. *“Hydraulic fracturing” or “fracking”*
4 means the extraction of oil or gas pursuant to the propagation
5 of fractures in the earth’s surface through the injection of a
6 pressurized fluid to increase extraction rates.

7 Sec. 2. Section 458A.5, Code 2013, is amended to read as
8 follows:

9 **458A.5 Drilling permit required.**

10 1. It is unlawful to commence operations for the drilling
11 of a well for oil or gas or the production of metallic minerals
12 or to commence operations to deepen any well to a different
13 geological formation without first giving the director notice
14 of intention to drill, and without first obtaining a permit
15 from the director, under rules prescribed by the department
16 and paying to the department a fee established by rule of the
17 department for the well. The fee shall be deposited in the
18 general fund of the state.

19 2. In addition to the permit fee established pursuant
20 to subsection 1, the commission shall adopt rules for a fee
21 schedule for costs associated with the adoption of rules
22 under section 458A.5A, the issuance of permits for drilling
23 as described in section 458A.5A, and the enforcement of rules
24 adopted pursuant to section 458A.5A. The rules shall include
25 requirements for a payment agreement with permit applicants and
26 quarterly payment schedules. Rules pursuant to this subsection
27 shall be adopted prior to the adoption of rules pursuant to
28 section 458A.5A.

29 Sec. 3. NEW SECTION. **458A.5A Hydraulic fracturing — rules.**

30 1. The director shall not issue a permit pursuant to section
31 458A.5 for the drilling of a well for oil or gas utilizing
32 hydraulic fracturing unless rules have been adopted by the
33 commission as provided under subsection 2. However, the
34 commission shall adopt rules for purposes of this section only
35 upon request by a person intending to apply for a permit for

1 drilling as described in this subsection. The commission shall
2 not adopt rules pursuant to this section using emergency rules
3 procedures under chapter 17A.

4 2. At a minimum, rules adopted by the commission shall
5 include all of the following:

6 a. An applicant shall identify all sites for proposed
7 drilling.

8 b. An applicant shall disclose all information required
9 as part of the hydraulic fracturing chemical registry of the
10 ground water protection council and the interstate oil and gas
11 compact commission.

12 c. An applicant shall disclose the total volume of fluid
13 used in the hydraulic fracturing treatment.

14 d. An applicant shall disclose each chemical ingredient
15 that is part of the hydraulic fracturing treatment and that is
16 subject to the requirements of 29 C.F.R. § 1910.1200(g)(2),
17 as provided by a service company, chemical supplier, or by
18 the applicant, if the applicant provides its own chemical
19 ingredients.

20 e. Prior to conducting hydraulic fracturing, an applicant
21 shall perform suitable mechanical integrity testing.

22 f. An applicant shall not drill in environmentally sensitive
23 areas.

24 g. An applicant shall use appropriate setbacks from
25 environmentally sensitive areas and from schools, residences,
26 water wells, and wildlife habitat to protect such areas.

27 h. An applicant must provide notice to landowners in close
28 proximity to a drilling location. The notice shall include all
29 information required by the department.

30 i. Prior to drilling, an applicant shall conduct baseline
31 water testing of groundwater and surface water in the area of
32 the drilling as required by the department.

33 j. An applicant must use well design and construction
34 standards that reflect current technological advancements.

35 k. An applicant must use closed loop systems, including the

1 use of closed tanks, to impound flowback water.

2 1. An applicant shall not cause an immediate or prospective
3 adverse impact on water supply sources.

4 m. An applicant shall not cause an adverse impact on the
5 health or safety of an employee, including but not limited to
6 protecting against chemical exposure and exposure to airborne
7 particulates.

EXPLANATION

9 This bill relates to permits for the drilling of a well for
10 oil or gas utilizing hydraulic fracturing.

11 The bill prohibits the director of the department of natural
12 resources from issuing a drilling permit for the drilling of a
13 well for oil or gas utilizing hydraulic fracturing unless rules
14 have been adopted by the environmental protection commission
15 relating to the use of hydraulic fracturing in drilling.

16 The bill requires the commission to adopt hydraulic
17 fracturing rules only if a request for such rules is made by
18 a person intending to apply for a drilling permit. Emergency
19 rule procedures are prohibited.

20 The bill requires the commission to adopt a fee schedule
21 for costs associated with the adoption of rules related to
22 hydraulic fracturing, the issuance of permits for drilling
23 using hydraulic fracturing, and the enforcement of rules
24 adopted for hydraulic fracturing.